

Message Text

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ACTION OPIC-12

INFO OCT-01 NEA-14 ISO-00 EB-11 AID-20 EUR-25 DODE-00 L-03

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----- 119660

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FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 8921

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E.O. 11652: NA

TAGS: ECRE EAID EWWT EG

SUBJ: SUEZ CANAL WIDENING PROJECT: C.F. BEAN COMPANY

REF: (A) STATE 197860 (B) CAIRO 6956

1. REPRESENTATIVES OF C.F. BEAN COMPANY HAVE HAD AN INCONCLUSIVE THREE-HOUR MEETING WITH THE COMMITTEE, CHAIRED BY CENTRAL BANK CHAIRMAN AHMED ZENDOU, THAT HAS BEEN CHARGED WITH RESPONSIBILITY FOR MAKING RECOMMENDATION ON WHICH COMPANY WILL GET CONTRACT FOR SUEZ CANAL WIDENING. COMPANY WILL MAKE ANOTHER EFFORT TO ADJUST THEIR OFFER IN FACE OF JAPANESE COMPETITION, AND PRESENT THIS TO GOE SIDE BY THIS SATURDAY.

2. ZENDOU IS REPORTED TO HAVE SAID THAT HE WANTS TO GIVE THE CONTRACT TO THE US FIRM, BUT THE DUAL PROBLEMS OF PRICE AND FINANCING ARE STILL MAJOR OBSTACLES. HE WANTS HARD FIGURES THAT WILL MAKE HIS RECOMMENDATION OF BEAN FULLY JUSTIFIABLE IN THE EYES OF THE MINISTERIAL COMMITTEE TO WHICH HE WILL REPORT IND WHICH WILL MAKE THE FINAL CHOICE.

3. COMPANY REP TOLD AMBASSADOR THAT ON BASIS ON INFORMATION THEY HAD BEEN GIVEN IN WASHINGTON ("BY PARSKY"), SOMETHING WOULD BE FOUND IN AID PROGRAM THAT WOULD BE MADE AVAILABLE FOR FINANCING OF CANAL WIDENING PROJECT. THE REP SAID
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THE FIGURE HE HAD BEEN GIVEN INDICATED THAT \$50 MILLION

WOULD BE "EARMARKED" FOR THIS PURPOSE. THIS INFORMATION WAS PASSED TO ZENDOU, WHO THEN ASKED IF HE COULD WRITE THE CONTRACT CONDITIONAL UPON USG FINANCING. REPS EXPLAINED THIS WOULD NOT WORK.

4. AN ADDITIONAL PROBLEM THAT HAS DEVELOPED RELATES TO THE FACT THAT THE ORIGINAL PLAN WAS TO BEGIN THE WORK IN THE SPRING. THIS DATE WAS LATER SHIFTED TO JULY 1, AND NOW HAS BEEN MADE "ANYTIME IN THE SECOND HALF OF 1975". THE SCHEDULING PROBLEMS THAT COULD RESULT FROM A TIME-FRAME THIS VAGUE ARE APPARENTLY A MATTER OF SOME CONCERN TO BEAN. THE COMPANY IS NOT AWARE OF THE REASONS FOR THE DELAY. THEY ARE FURTHER UNAWARE OF THE ACTIONS OF THE IBRD IN REQUESTING A DELAY ON THE AWARDING OF A CONTRACT (REFTEL B). AS REQUESTED REFTTEL A, WE HAVE INFORMED THE SCA OF THE DECISION OF THE OPIC BOARD. I HAVE ALSO SENT A COPY TO ZENDOU.
EILTS

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Message Attributes

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